

Message Text

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ACTION OPIC-06

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FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC 0000

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DEPARTMENT PASS OPIC

EO 1162:N/A

TAGS: EFIN, IV

SUBJ: EMBASSY COMMENTS OF REFERENCED INVESTMENTS

REF: A) VICK MEMO ON FNCB INSURANCE APPLICATION

B) VICK MEMO ON MORGAN GUARANTY INSURANCE APPLICATION

1. EMBASSY FAMILIAR WITH BOTH INVESTMENTS AND HAS DEALT ON
CONTINUOUS BASIS WITH REPRESENTATIVES OF BOTH BANKING
INSTITUTIONS. BELIEVE BOTH FIRMS ARE CREDITABLE IN DEALINGS
WITH IVORIANS AND SUPPORTIVE OF GOIC DEVELOPMENT GOALS.

2. FNCB'S INVESTMENT MARKS THE FIRST ENTRY OF A WHOLLY
OWNED US BANK INTO THE IVORIAN FINANCIAL SECTOR. WE BELIEVE
THIS WILL BE BENEFICIAL TO THE INVESTMENT SECTOR AND
STIMULATE MORE ACTIVITY IN THE IVORIAN MARKET. FURTHERMORE,
AN AMERICAN BANK OFTEN BRINGS IN MORE AMERICAN BUSINESS,
AND WE HOPE THIS WILL IMPROVE BUSINESS DEALINGS FOR US
INTERESTS HERE. FNCB HAS A RECORD OF ACTIVE FINANCING
IN THE IVORY COAST AND ENCOURAGING THE PURCHASE OF EQUIPMENT
FROM US SUPPLIERS; ADDITIONALLY, ITS ATTITUDE OF GIVING THE BEST
TERMS POSSIBLE TO SOUND INVESTMENTS SHOULD ENCOURAGE
COMPETITION AMONG OTHER BANKS AND INCREASE AVAILABLE
CAPITAL IN THE INVESTMENT SECTOR. EMBASSY BELIEVES OPIC
INSURANCE ENTIRELY JUSTIFIED FOR THIS INVESTMENT AND THAT

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FNCB'S FUTURE PLANS FIT INTO THE OVERALL DEVELOPMENT

CONTEXT OF THE COUNTRY.

3. MORGAN GUARANTY INVESTMENT REPRESENTS A CONTINUATION OF THEIR INVESTMENT IN SOCIETE IVOIRIENNE DE BANQUE (SIB). EMBASSY HAS NO OBJECTION TO OPIC INSURANCE INVESTMENT. SIB IS PRINCIPALLY IVORIAN-OWNED, AND THUS MORGAN IS BACKING A RELATIVELY INDIGENOUS INSTITUTION (THOUGH IT ALSO HAS MINORITY FRENCH OWNERSHIP IN CREDIT LYONNAIS). BECAUSE OF ITS STRUCTURE, SIB WAS FIRST BANK TO APPOINT IVORIAN LOCAL DIRECTOR, IT WAS ALSO FIRST BANK TO SIGN CFF AGREEMENT WITH EXIMBANK. NOW UNDER NEW BANKING LAWS, AS OTHER LOCAL BANKS ARE PUSHED TO IVORIANIZE FASTER, SIB IS RELATIVELY AHEAD OF GAME. BELIEVE MORGAN'S CONTINUED INVESTMENT APPROPRIATE TO FINANCIAL NEEDS AND DEVELOPMENT PLAN OF GOIC.

4. FYI: EMBASSY WILL CONTINUE TO SEEK FASTER IVORIAN ACTION ON APPROVAL OF INSURANCE APPLICATIONS. WE HAVE APPROACHED MINISTRY OF FINANCE SEVERAL TIMES ON GLUETT, PEABODY INVESTMENT AND IF OPIC DEEMS APPROPRIATE WILL RAISE ABOVE APPLICATIONS AND CLUETT, PEABODY FGA AGAIN. PLEASE ADVISE AS WE HAVE NOT RECEIVED FGA ON ANY OF THE THREE PENDING INSURANCE APPLICATIONS.
SMITH

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